

**Arizona State Board for Charter Schools**

January 12, 2004

Challenge School

5801 West Greenbriar Drive

Glendale, AZ 85308

**MINUTES**

**Members Present**

Onnie Shekerjian – President  
Kurt Davis – Vice President  
Mary Gifford – Superintendent’s Designee  
Lynne Adams – Public Member  
Mary Lynn Kelly -Business Member  
Cassandra Larsen - Public Member  
Jose Gabriel Loyola – Public Member  
Kimberly Mosher - Public Member  
Paul Smiley - Business Member

**Members Absent**

Senator Linda Aguirre - Advisory  
Representative John Huppenthal - Advisory  
Representative Ted Carpenter - Advisory

Meeting began at 9:04 AM

**Agenda Item A—Pledge of Allegiance**

**Agenda Item B—Moment of Silence**

**Agenda Item C—Roll Call:** Traci Sawyer-Sinkbeil called the roll and confirmed a quorum.

**Agenda Item D—Presentation— Greg Miller, Challenge School**

Mr. Caya extended a warm welcome to all the Board members. He provided a brief background on the history of Challenge School stating the school was the first official Core Knowledge school in Arizona as of 1998. Students from the school sang the school song for the Board.

Leo Condos, Attorney for Challenge School presented Greg Miller a plaque as being a pioneer of the first charter schools to participate in a bond pool. Mr. Condos presented a plaque to the Board for its efforts in representing charter schools.

**Agenda Item E—Election of Officers**

**MOTION**

Motion made by Kimberly Mosher to nominate Kurt Davis as President of the Board. Motion seconded by Mary Lynn Kelly.

**Motion passes unanimously  
(Davis abstained)**

### **MOTION**

Motion made by Cassandra Larsen to nominate Kimberly Mosher as Vice President of the Board. Motion seconded by Kurt Davis.

**Motion passes unanimously  
(Mosher abstained)**

### **Presentation to Onnie Shekerjian**

Kurt Davis expressed the Board's appreciation for Ms. Shekerjian's service as Board President for 2003. A plaque was presented and Ms. Shekerjian expressed thanks to the Board and staff.

### **Agenda Item F—Call to the Public**

Greg Miller expressed concern on agenda item M.2 and stated it was inappropriate to have a member of the charter school association as an Ex-Officio member of the Board since the Association did not represent all of the charter schools in the state.

### **Agenda Item G—Superintendent's Report**

Superintendent's Designee Gifford updated the Board on NCLB subject matter tests in the areas of science and social studies and the Department of Education looking into testing in the grades of 4, 7, & 10. She also asked if anyone has any thoughts regarding the subject matter test, to please get in touch with her.

Ms. Gifford stated the superintendent is finishing a discipline initiative. The sample policy will be available on the website. It is not mandatory but if charter schools can utilize it if they choose to do so.

Ms. Gifford stated the Superintendent expressed concern regarding the number of charter schools that were not labeled, mostly because of size. He said there needs to be some means of labeling the students.

Ms Gifford briefed the Board on the report issued by the Office of Inspector General, US Department of Education on charter schools that are for profit. She expressed that the Superintendent wanted all for profit charter schools to be aware that although he is fighting the issue that if the fight is not success for profit entities may no longer be eligible for federal funds.

### **Agenda Item H-- Executive Director's Report**

1. Kristen provided the Board a monthly update on the current application process. The Board received 27 applications, 19 were deemed administratively complete and were scored, a workshop was held on November 6, 2003 for all applicants where they were presented with Arizona State Board for Charter Schools

their reviews. 16 of the 19 applicants submitted a revised application that moved forward to the second round of reviews. To make sure scoring is consistent each section of the application will be reviewed by three independent reviewers. Given that reviewers typically have expertise in one section over other sections each application is broken into the following three sections for review: 1<sup>st</sup> curriculum/program of instruction, 2<sup>nd</sup> special education, and 3<sup>rd</sup> financial/business. Thus each application needs to be reviewed by 9 reviewers/ 3 for each section. Although it was the intent to bring forward the applications in January it was not possible as an adequate number of reviewers were not available to accomplish this task. Staff notified all of the applicants that the timeline had changed. Some applicants expressed concern over the delay in the timeframe due to the February deadline for the federal stimulus fund grant. Staff spoke with Dean Kern, the Director of the Charter Schools Program with the US DOE regarding this. Mr. Kern assured staff that the applicants did not need to have an approved charter application to apply for the stimulus grant. Applicants are encouraged to attend a training session for the stimulus grant application hosted by the USDOE on January 16, 2004 from 8-11:30 at ASU West.

2. Kristen stated she had been invited to present on the audit process at AASBO Winter Conference in February. Staff presented last year. Chuck Essigs from the Arizona Association of School Business Officials briefed the Board on the various sessions available for the conference for charter schools and answered questions from the Board.

3. Michele Diamond provided the legislative update for the Board. Ms. Diamond stated the Bills have been drafted and will be dropped either today or tomorrow. There are two bills, one dealing with the additional disciplinary tools (i.e. authority to impose fines and the increased withholding of state aid) and the second deals with the authority to impose an application fee. Representative Boone will be the sponsor of both bills. Ms. Diamond stated that staff have met with leadership in the House and Senate and is seeking input from the charter community. The Department of Education is very supportive of the bills. Ms. Diamond answered questions.

#### **Agenda Item I—Consent Agenda—**

**1.4 Winds Academy, Inc.**—Request for exception to the USFRCS and Procurement Laws.

**3. Vista Charter School**—Request for exception to the USFRCS and Procurement Laws.

Mary Gifford requested that Consent Agenda Item 2 be removed from the consent agenda.

#### **MOTION**

Motion made by Onnie Shekerjian to approve the consent agenda Items 1 & 3. Motion seconded by Mary Gifford.

**Motion passes unanimously**

**2. Tucson Country Day School, Inc.** —Request for increase in grade levels from K-6 to K-8 to begin school year 2004-2005.

Richard Cooper, representative for Tucson Country Day School answered questions from the Board.

**MOTION**

Motion made by Mary Gifford to approve the consent agenda Item 2 contingent upon **Tucson Country Day School's** clarification of the academic goals with staff. Motion seconded by Cassandra Larsen.

**Motion passes unanimously**

**Agenda Item J-- Discussion and possible action on request to transfer charter from the State Board of Education:**

- 1. Ball Charter School (Dobson)**
- 2. Ball Charter School (Hearn)**
- 3. Cambridge Academy**
- 4. Flagstaff Arts and Leadership Academy, Inc.**
- 5. Gan Yeladeem: The Looking Glass School**
- 6. Liberty High School, Inc.**
- 7. Ombudsman Educational Services**
- 8. Student Choice High School**

Kristen informed the Board the above schools had submitted a complete application and their charter contracts were in compliance.

3. Julio Gonzales and Lisa Chamberlain, board members for **Cambridge Academy** represented the school and were available for questions from the Board.

5. Susan Heller for **Gan Yeladeem: The Looking Glass School** represented the school and was available for questions from the Board.

7. Michele King, represented the **Ombudsman Educational Services** and was available for questions from the Board

**MOTION**

Motion made by Onnie Shekerjian to approve the transfer of **Ball Charter School (Dobson), Ball Charter School (Hearn), Cambridge Academy, Flagstaff Arts and Leadership Academy, Inc., Gan Yeladeem: The Looking Glass School, Liberty High School, Inc., Ombudsman Educational Services, Student Choice High School.** Motion seconded by Cassandra Larsen.

**Motion passes unanimously**

**Agenda Item K--Discussion and possible action on Omega Alpha Academy**

1. Discussion and presentation of information regarding Omega Alpha Academy's compliance with A.R.S. 15-977 (Classroom site fund).

**BOARD CONVENES AN EXECUTIVE SESSION AT 10:05 AM**

**MOTION**

Motion made by Onnie Shekerjian to go into executive session for the purpose of receiving legal advice for Agenda Item K 1. Motion seconded by Mary Gifford.

**Motion passes unanimously**

**Lynne Adams recused herself from any executive sessions, discussions and revocation proceedings regarding Omega Alpha Academy**

## **BOARD RESUMES GENERAL MEETING AT 10:27 AM**

Kristen provided background on the Classroom site funds for Omega Alpha Academy. Omega Alpha's 2002 audit indicated non-compliance with Proposition 301. Specifically, the school used a portion of its 2002 Classroom Site Fund (CSF) revenue for other than the designated purposes required by law. Kristen stated the requirements of CSF as mandated in ARS 15-977, (i.e. increases in teacher base salary and teacher employment-related expenses, increases in performance-based teacher compensation and teacher employment-related expenses, and other maintenance and operation purposes specifically named in statute). State law clearly prohibits the use of 301 monies for supplanting existing monies. Schools must maintain at least the same level of funding as in prior years with non-CSF monies

Ms. Jordison stated on November 24, 2003, staff sent a letter to Omega Alpha requesting a corrective action plan from the school for the issues identified in the audit.

On December 22, 2003, staff received the school's corrective action plan. In the response, the school indicated that Proposition 301 monies were not available at the time due to 10% of the school's equalization payments being withheld by the State.

The school received a total of \$180,018.70 Proposition 301 monies in FY 02 specifically designated for the purposes outlined above. The state withheld a total of \$43,247.66 state aid for FY 02.

On January 5, 2004, staff spoke with Ramon Perez of the school's Finance Department who inquired as to the sufficiency of the response. Staff indicated to Mr. Perez that he did not address all of the issues identified in the audit and that he should refer to the questionnaire results. Mr. Perez also asked specifically if his response to the Proposition 301 issue was sufficient. Staff responded that the reason for the non-compliance was not sufficient and that he should provide additional information if it was available.

Staff indicated additional information should be received no later than January 31, 2004.

It should be noted that Prop. 301 or Classroom Site Fund first took effect July 1, 2001. Thus, the FY 2002 audits were the first audits to include this issue. The Board initiated the follow-up process on the FY 2002 in November 2003. The Board has not before taken action on non-compliance with the Classroom Site Fund.

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### **MOTION**

Motion made by Onnie Shekerjian to direct staff to write a letter requesting additional information **Omega Alpha Academy** as it relates to the audit and Classroom Site Funds. Motion seconded by Kimberly Mosher.

**Motion passes unanimously**

## **Order of the Agenda Changed**

### **Agenda Item L--Action Items:**

**1. Classical Kids Academy**—The Board will receive information to determine whether evidence exists that Classical Kids Academy is in breach of one or more provisions of its charter contract, federal, state, or local laws regarding its failure to provide educational services.

Kristen provided a brief summary of Classical Kids Academy past disciplinary record.

On October 23, 2003 the staff visited the school and met with Rachelle Sallee the administrator of the school. Staff informed the school that although they had a Tempe Fire Department certificate that the State Fire Marshal had recently taken the compliance with Tempe and they needed to submit a State Fire Marshal report immediately. Rachelle stated that the Fire Marshal was coming the next day. The staff counted 16 students on this day.

On November 10, 2003 the staff again visited the school and found the doors locked. Staff left a business card with a note to call the office.

On November 11, 2003 staff received a message from Rachelle Sallee. Rachelle stated that she had received the card and explained that they decided to take an early break and were back in session on this day.

On November 17, 2003 staff visited the school. Rachelle Sallee was not present and staff spoke with a teacher. Staff toured the school and counted 3 students. Staff was told that 8 additional students were at the library. The teacher stated that Ms. Courtney would be in the next day to provide us the teacher records that we requested.

On November 18, 2003 staff visited the school. Staff requested copies of teacher registers, enrollment forms for each student enrolled for the school year, a calendar reflecting the un-scheduled break from November 3-7 and a printout of students currently in attendance. Ms. Courtney stated the room was locked and could not provide the requested documents. Staff left the request and a message for Ms. Sallee to return our call.

On November 19, 2003 staff spoke with Leo Condos, the attorney for the school. Mr. Condos stated that the school was still in operation but planned on closing at the semester break. Mr. Condos inquired at this time if it would be possible for another non-profit to take over the charter contract and re-open in the Fall of 2004. Staff told Mr. Condos that this would be something that Arizona State Board for Charter Schools

### **MOTION**

Motion made by Lynne Adams to issue a Notice of Intent to Revoke the charter of **Classical Kids Academy** for failure to provide educational services including failure to provide the minimum required number of days as outlined in their charter contract. Classical Kids Academy be directed to provide the Board with the necessary data requested by the staff within 10 days and the Board direct the Attorney General's office to initiate collections proceedings against Classical Kids Academy for any outstanding amounts that is determined to be due to the state. Motion seconded by Mary Gifford.

**Motion passes unanimously**

would need to be presented to the Board with appropriate documentation. Additionally, any funds and reports due from Classical Kids would need to be settled prior to any decision on this matter. Mr. Condos stated that he would speak with his client and be back in touch with me.

On December 29, 2003 staff sent a letter to Ms. Sallee and cc'ed Mr. Condos regarding the official status of the school and informed them that this matter would be brought before the Board today for determination if a breach of the charter may have occurred and possible action of the issuance of a notice of intent to revoke the charter.

On January 9, 2004 staff received a letter from Mr. Condos regarding this matter. Mr. Condos requested that the Board continue this matter for the period of 30 days during which time he would be able to firm up the options that would be presented to the Board at the next meeting. He additionally states that if the details cannot be worked out that Classical Kids will voluntarily relinquish its charter.

Based upon submitted data and the letter from Mr. Condos it appears that the school was in session 90 days. The school's 40<sup>th</sup> day in session was September 22<sup>nd</sup> and the school submitted a 40<sup>th</sup> day ADM number of approximately 26. The school did not receive payments in November or December due to a November recalculation of the prior state aid amount. In order to determine if the school is due any additional funds from this year or if the school owes additional funds from this year more data is necessary. Specifically student level data needs to be submitted for day 41-90 to determine accurate funding amounts. Also, the school needs to submit required reports for 6 FY 2004 grants and 2 FY 2003 grants.

Leo Condos, Attorney for Classical Kids Academy provided information for the Board. He stated that another entity is willing to step in to take over the charter, operations and current overpayment debt of the school to open for the 2004-2005 school year. The new entity has provided a 3-year budget. If the Board does not see fit to approve the changing of entities, then the school would voluntarily relinquish its charter. Mr. Condos answered questions from the Board.

Ms. Jordison outlined options the Board may take regarding Classical Kids and answered questions from the Board.

**2. Consideration to approve and forward to the Governor's Regulatory Review Council the Final Rule Package for R7-5-101, R7-5-201, R7-5-202, R7-5-203, R7-5-204, R7-5-401.**

Kristen stated it is the staff's intention to forward the packet to GRRC and from communication from GRRC it may be on their March agenda.

Staff answered questions from the Board

**3. Discussion and possible action to adopt a process of accountability, review, follow-up, and revision of charter school contractual goals.**

Superintendent's Designee Gifford discussed the sub-committee meeting on adopting a process of accountability of goal setting for charter schools. Ms. Gifford stated that staff is working on a larger accountability plan that involves incorporating data from various sources as well as developing a template that the sub-committee will review and then present to the Board. The sub-committee will meet on future dates and report back to the Board of its progress.

**Board break from 11:28 to 11:42 AM**

**Agenda Item M-- Additional Action Items:**

**1. President's Report**

President Davis briefed the Board on some procedural items regarding the Board process of the agenda. Specifically, President Davis asked board members to review the packet prior to the meeting and contact staff prior to meeting to remove the item from the consent agenda and not it as an action item. This gives staff time to gather pertinent information and contact the charter representative if necessary. The Board discussed a timeline and stated they would notify Kristen by close of business the Wednesday prior to the board meeting since agendas are posted by the Thursday prior to the meeting.

President Davis discussed having policy discussion forwarded first to the sub-committees and then brought forward to the Board for a first read. The policy would then, if necessary, be forwarded back to the sub-committee for further discussion. The item would then be brought back to the Board for a final read and action.

**2. Discussion and possible action on appointing the President of the Charter School Association as an ex-officio member of the Board.**

President Davis suggested that a discussion of Arizona State Board for Charter Schools

**MOTION**

Motion by Cassandra Larsen to approve the Final Rules Package R7-5-101, R7-5-201, R7-5-202, R7-5-203, R7-5-204, R7-5-401, for the Arizona State Board for Charter Schools, amending R7-5-204 A to read, "After the Board grants a charter, the charter holder shall submit to the Board prior to the execution of the charter the following". Motion seconded by Lynne Adams.

**Motion passes unanimously**

**No action taken**

**No action taken**



appointing the President of the Charter School Association as and ex-officio member of the Board be discussed in the Charter Oversight/Strategic Planning and Implementation sub-committee and have recommendations brought back to the Board.

**No action taken**

**3. Discussion and possible action on the creation and implementation the following sub-committees of the Board:**

- a. Public Awareness/Outreach**
- b. Legislative**
- c. Charter Oversight/Strategic Planning and Implementation**

President Davis outlined the creation and implementation of sub-committees for the Board. President Davis mentioned that this structure has been effective in the past and wishes to continue with this process.

**No action taken**

President Davis outlined the structure of each sub-committee as follows:

Public Awareness/Outreach sub-committee members are Mary Lynn Kelly, Kimberly Mosher, Onnie Shekerjian.

Legislative sub-committee members are Mary Gifford, Jose Gabriel Loyola, Kimberly Mosher, & Paul Smiley.

Charter Oversight/Strategic Planning and Implementation sub-committee members are Lynne Adams, Cassandra Larsen, Kimberly Mosher, & rotational member based on issue.

Each sub-committee will meet and elect a chairperson, set meeting times, and address issues as needed. The chairperson of the sub-committee will update the Board on the actions of the sub-committee on a monthly basis.

**BOARD CONVENES AN EXECUTIVE SESSION  
AT 12:05 PM FOR AGENDA ITEM N**

**MOTION**

Motion made by Lynne Adams to go into executive session for the purpose of review, employment, assignment, promotion, or salary of the Executive Director and then go into executive session for the purpose of receiving legal advise in regards to agenda items K2 and K3. Motion seconded by Mary Gifford.

**Motion passes unanimously**

**BOARD RESUMES GENERAL MEETING AT  
12:25 PM**

**Lynn Adams left the meeting at 12:25 PM.**

**BOARD CONVENES AN EXECUTIVE SESSION  
AT 12:26 PM FOR AGENDA ITEM K.2 & 3**

**BOARD RESUMES GENERAL MEETING AT  
12:50 PM**

**Agenda Item K--** Discussion and possible action on  
Omega Alpha Academy

**2. Discussion and possible action on Omega Alpha  
Academy's request for change in the charter  
representative.**

**3. Discussion and possible action on Omega Alpha  
Academy's request for the release of 10%  
withholding of school funding.**

Victoria Mangiopane, Solicitor General was in  
attendance telephonically.

President Davis outlined that the Board had two options  
today. The first is to accept the amendments or the  
second is to postpone a decision based upon the  
discussion Agenda Item K 1. President Davis stated  
that the policy of the Board is not to consider  
amendments for schools that are out of compliance.

Superintendent's Designee reiterated since it is the  
policy of the Board not to discuss or vote on school  
issues unless staff can assure the Board the school is  
fully in compliance with all applicable laws and  
regulations, the Board cannot act on this item because  
of Agenda Item K 1.

Leo Condos, Attorney for Omega Alpha Academy  
asked the Board to consider the item separately and act  
on Agenda Items K2 and K3 today.

President Davis stated that all the issues would be  
discussed once more information is received regarding  
the Classroom Site Fund.

Mr. Condos state that he understood that it is clearly  
within the Board right to postpone the decision but was  
concerned about the operation of the school without a  
charter representative. President Davis stated that the  
school still has a governing board to run the school.

Mr. Condos introduced the Omega Alpha Academy's  
governing board. Mr. Condos outlined that Omega  
Alpha's board terminated Florencia de Valenzuela's  
employment and a new charter representatives were  
appointed. The school submitted documentation to  
change charter representatives but was given notice on  
Friday of Agenda Item K 1, the issue regarding  
Classroom Site Funds.

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**MOTION**

Motion made by Mary Gifford to table Agenda Items  
K2 and K3 until the staff has received the requested  
information as outlined in the motion on Item K1.  
Once the information is received the Board will make  
every effort to hold a special meeting to consider items  
related to K1 and at that time consider items K2 & K3..  
Motion seconded by Kimberly Mosher.

**Motion passes unanimously**

**Agenda Item N--Personnel Issues – Executive**

**Director**—Discussion and possible action on review, employment, assignment, promotion, or salary.

**MOTION**

Motion made by Onnie Shekerjian to request Arizona Department of Administration to reclassify the positions of staff to what is appropriate and in line with the current classifications and compensations for the agency and the Executive Director position as an E2 and change the salary of the Executive Director per the Salary Schedule of ADOA to \$1000 over the median for an E2 and retroactively to October 17, 2003. Motion seconded by Cassandra Larsen

**Motion passes unanimously**

**Paul Smiley left the meeting at 1:12 PM**

**Agenda Item O—Approval of Minutes:**

November 17, 2003

**MOTION**

Motion made by Kimberly Mosher to approve the minutes of **November 17, 2003**. Motion seconded by Mary Gifford.

**Motion passes unanimously**

**Agenda Item P—Adjournment**

**MOTION**

Motion by Onnie Shekerjian to adjourn the meeting. Motion seconded by Kimberly Mosher.

**Motion passes unanimously**

The meeting adjourned at approximately 1:21pm.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date